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TO RUEHBY/AMEMBASSY CANBERRA PRIORITY 4820  
RUEHC/SECSTATE WASHDC PRIORITY 4171  
INFO RUEHMJ/AMEMBASSY MAJURO 0110  
RUEHPB/AMEMBASSY PORT MORESBY 0650  
RUEHSV/AMEMBASSY SUVA 0588  
RUEHDN/AMCONSUL SYDNEY 0522  
RUEAHLC/HOMELAND SECURITY CENTER WASHINGTON DC  
RHHMUNA/USCINCPAC HONOLULU HI  
RHHMUNA/CDR USPACOM HONOLULU HI  
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RHEHAAA/NATIONAL SECURITY COUNCIL WASHDC  
RHHJJAA/JICPAC HONOLULU HI  
RUWDQAA/CCGDFOURTEEN HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 03 WELLINGTON 000316

SIPDIS

SIPDIS

STATE FOR D (FRITZ), EAP/FO, EUR/RPM, EAP/ANP AND  
OES FOR WGIBBONS-FLY  
SUVA FOR REO JMURPHY  
NSC FOR VICTOR CHA  
SECDEF FOR OSD/ISD JESSICA POWERS  
PACOM FOR J01E/J2/J233/J5/SJFHQ  
HOMELAND SECURITY FOR PAUL FUJIMURA

E.O. 12958: DECL: 11/28/2016

TAGS: ASEC PREL PGOV CW NZ

SUBJECT: COOPERATING WITH GNZ TO SHORE UP WEAK COOKS VESSEL  
REGISTRY

REF: A. EMAIL FROM CDR PHIL WELZANT USCG - 2/8/2007  
    1B. SUVA 153  
    1C. EMAIL FROM BRAD KIESERMAN USCG - 4/5/2007  
    1D. EMAIL FROM JOE MURPHY REO SUVA - 4/5/2007

Classified By: DCM David Keegan,  
for reasons 1.4(b) and (d)

11. (U) This contains action recommendations at paras 12-13.

12. (C) Summary: Embassy is concerned that recent Coast Guard  
seizures of Cook Island vessels in the Caribbean indicate  
that weaknesses in the Cooks' vessel registry are being  
exploited by organized crime. The GNZ is worried, too,  
having earlier identified a problem with Cook Island vessels  
being used for illegal Antarctic fishing. New Zealand's High  
Commission has passed on our concerns to the Cook Islands  
Foreign Minister, who agrees that his government needs to  
address potential weaknesses in the privately-run registry.  
Ministry of Foreign Affairs and Trade (MFAT) officials share  
our assessment that joint cooperation between US and NZ  
officials to help the Cooks through this process would  
benefit all three governments. MFAT believes we should work  
quickly to address the problem, taking advantage of the GCI's  
and registry's interest. Post suggestions for some ways the  
USG can offer assistance are at para 12-13. We also will  
raise these suggestions with DHS official Paul Fujimura  
during his April 23-4 trip to Wellington. End summary.

Background

13. (SBU) Over a period of 10 weeks from February to April  
2007, Embassy Wellington received three separate requests  
from the USCG regarding Cook Islands-flagged vessels  
operating in the Caribbean Sea. Each vessel was under USCG  
investigation for drug trafficking. Three vessels represents  
a sizable proportion of the Cook Islands fleet as a whole  
(126 vessels) and of that subportion operating in the

Caribbean (approximately 22 vessels).

¶4. (SBU) We received the first request on February 1, when Lt. Cmdr Gary Tomasulo, Office of Law Enforcement, United States Coast Guard called with an urgent request to get Cook Island permission to board and search the Cooks registered vessel "Wave Tamer," which was in the Caribbean heading for international waters and would soon be beyond any coastal state's jurisdiction. Within two hours, we received GCI permission via the Cooks High Commission in Wellington.

(Note: NZ officials were helpful in this process, and told us that that GNZ also had concerns regarding the registration of Cook Island fishing vessels.) The Wave Tamer was boarded on the high seas and searched, but no drugs were found. After a subsequent port call in Miami, a more thorough search resulted in the seizure of 5 kilos of cocaine. USCG officials reported to us that there were nine persons on board the vessel of various nationalities: Barbados (1), Nicaraguan (1), Guatemalan (1), Honduran (3) and Dominican (3) (Ref A). A week later, Wellington received notification that USCG might request permission to board a second Cook Islands-flagged vessel, the "Lady Bernadette" (or variant), but the request never came through.

¶5. (SBU) In late February, the Embassy asked Regional Environment Officer (REO) Joe Murphy, who was headed to the Cooks for an unrelated meeting, to meet with officials from the Ministry of Marine Resources to learn more about the Cooks vessel registry. Murphy reported that the Cooks had "problematic flagging practices" and recognized the potential for a U.S. opportunity to offer assistance (Ref B).

¶6. (SBU) Over the March 31 weekend, USCG officials contacted

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the Embassy about a third Cook Island-flagged vessel under investigation for drug trafficking in the Caribbean, the M/V Alpha and Omega, which was transiting U.S. territorial waters off of Puerto Rico. On April 2, Embassy Wellington advised the Cook Islands High Commission that the USCG intended to board and search the vessel. Suspected of transporting 2,000 kilos of cocaine, the vessel was boarded in U.S. territorial waters and subsequently investigated in Puerto Rico. While no drug seizure was made, we understand from USCG officials that there were dozens of positive ion scans for cocaine and heroin (Ref C). During the boarding and search, USCG officials received calls from a person purporting to be Captain Andy Scheer, Deputy Registrar of the Cook Islands Vessel Registry, who sought information about why the vessel was being boarded. USCG officials later advised us that it was possible to acquire a Cook Islands registry document on the Internet with a credit card and provided us with a website address.

¶7. (C) In early April, REO Murphy told Post's Pacific Islands officer (PacOff) that at the March U.S. South Pacific Tuna Treaty Consultations in Vanuatu, USCG and NOAA National Marine Fisheries Service (NMFS) representatives briefed Peter Graham, Acting Policy and Legal Director of the Cook Islands Ministry of Marine Resources, on the outcomes of USG deliberations on how to treat Cook Islands "demise charter" vessels. U.S. owners who chose to participate in the Cook Islands "temporary re-flagging program" would void their status as U.S.-flagged vessels. In effect, it appears that some vessels were dual-registered as U.S. and Cook Islands-flagged vessels -- further demonstrating the weakness of the Cook Islands vessel registry.

Follow-up with MFAT

¶8. (C) In the wake of the third vessel incident, PacOff discussed our Cook Islands concerns with MFAT's Cook Islands desk officer and Legal Division as well as the Ministry of Fisheries (MFish). As a result of the meeting, the NZ High Commission in Rarotonga weighed in with the Cook Islands

Foreign Minister Wilkie Rasmussen. After talking with Glenn Armstrong, CEO of Marine Cook Islands (MCI) -- the private entity that operates the Cooks vessel registry -- Rasmussen agreed that MCI's due diligence process leaves something to be desired. He suggested a three-way meeting between GCI, NZ High Commission and MCI to discuss greater regulatory control.

¶9. (C) At a follow up meeting on April 12 with MFAT's Pacific Division Director Heather Riddell and other MFAT officials, Pol-Econ officer and Pacoff learned that a new Ships Registration Bill was to go before the Cooks Island Parliament the next week that is designed to strengthen the powers for the registry to cancel a registration. (NB: We are seeking through MFAT more information regarding the legislation text and its interpretation of potential impact.)

¶10. (C) MFAT also shared with us an e-mail from Glenn Armstrong that reinforces our concerns about the registry process. Armstrong notes that the registry's role is to ensure that a vessel is seaworthy and that the crew is competent to sail the vessel. He also says that while all/all Cook Islands-flagged vessels are owned by a "qualified person" or Cook Islands International Company, the Cooks Islands Trust performs contract management for 90-percent of these companies, the majority of whose owners are resident in the United States. The Cook Islands Trust told Armstrong that its due diligence involves obtaining information on the owners and directors of the companies, including full names and address, certified copies of

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passports, banks statements and utility bills. The Trust also requires applicants to sign a form confirming that they have not been convicted of any crime, investigated by a government agency or refused entry to another country. It does not appear that registration applicants are actually seen in person, that the vessels are physically inspected, or that there is criminal background check. (NB: On April 13, post forwarded a copy of Armstrong's e-mail to EAP/ANP (Ricci and Vajda), OES (Tousley) and USCG (Brad Kieserman).)

¶11. (SBU) Riddell says a lax CI vessel registry has long been a GNZ concern and is obviously an area where a bit of technical assistance could go a long way. Officials from both sides agreed that it could be valuable for all of us to work together in this direction.

#### Recommended Next Steps

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¶12. (C) Cooks officials clearly recognize they have a potential problem that if not addressed could shut down an important revenue source for their tiny nation. (Although the registry is private, some of its earnings go to the GCI.) Post believes we have a prime opportunity to address the weakness in the Cook Islands vessel registry in a cooperative, multilateral way that could serve as a model for an expanded effort in the Pacific region. The special constitutional relationship between New Zealand and the Cook Islands, as well as our ongoing efforts to improve US-NZ cooperation on Pacific Island security issues, makes New Zealand a natural partner in this process. Given that Australia has a patrol vessel deployed to the Cook Islands as part of its Pacific patrol boat program, Australia is also a logical partner, and Riddell said she would engage NZ's High Commission in Canberra to assess Australian interest. Throw in Niue, another jurisdiction with which New Zealand has a special constitutional relationship, and any initiative to strengthen vessel registries begins to take on a critical mass.

¶13. (C) As one small step we can take to address this problem, Post recommends that we and other partners provide the Cooks with a third-party audit of the Cook Islands vessel

registry. This would clean the slate for the registry and give them a sound baseline for going forward. Secondly, we should explore whether US officials could help the Cooks screen those registry applicants based in the United States. Thirdly, a multilateral assistance team of law of sea and maritime experts from New Zealand and United States could offer technical advise on legislative fixes and regulatory oversight. Finally, we should explore negotiating a pre-boarding agreement with the Cooks that would obviate the need to get GCI clearance every time we wish to board a vessel on the high seas. As MFAT points out, such an agreement in itself could provide a strong disincentive for drug runners to use Cooks-registered vessels.

¶14. (C) Post requests Department response to this proposed approach. We would also welcome any thoughts from Embassy Canberra.

McCormick